

to allay the fears of some of the people in the business community about the health care plan so they can see it will be good for business, not bad for business. Then I think you'll see a lot more investment coming out of the lower interest rates.

But most of this job growth is going to have to come in the private sector. The Government can't do it.

Q. Thank you, Mr. President. We've flat run out of time. We were going to try and squeeze in another couple of questions, but I guess we can't do it.

The President. I'll stay if you can.

Q. Well, hey, we'll stay. We'll stay all night. No satellite. We lost the satellite.

The President. They say we're going to lose the satellite. I'm sorry.

NOTE: The interview began at 5:20 p.m. The President spoke via satellite from Room 459 of the Old Executive Office Building. This item was not received in time for publication in the appropriate issue.

Remarks on the Economic Program July 31, 1993

Good morning, and welcome to the Rose Garden.

My fellow Americans, 5 months ago when I addressed the Congress in my State of the Union Address, I pledged to the American people that I would do my best to change the way Washington works; to revive our economy by reducing our deficit; cutting spending; reversing trickle-down economics and asking the wealthiest Americans to pay their fair share of our tax burden; increasing incentives to business to create new jobs; helping the working poor to stay out of welfare and stay in the work force; and renewing the skills and productivity of our workers, our students, and our children. I presented to Congress an economic plan designed to achieve those objectives.

Now the Members of both Houses of Congress are close to deciding on a final version of an economic growth plan that meets these objectives. The plan will contain the largest deficit reduction plan in our Nation's history, about \$500 billion, with nearly a quarter of a trillion dollars in real and enforceable

spending cuts. The plan creates a trust fund in which all the spending cuts and all the tax increases are placed and dedicated by law for 5 years only to reducing our Nation's debt. Every new dollar of taxes will be matched by a dollar of spending cuts. And now, thanks to the efforts of the last few weeks, 80 percent of the new taxes will come from individuals earning over \$200,000 a year, the top 1.2 percent of our income bracket, people who got most of the economic benefits of the 1980's and, unlike most Americans, also received tax cuts in that decade. No working family earning less than \$180,000 will pay a penny more in income taxes. That will be a real change from the trickle-down economics of the past dozen years.

Average families, that is, people with family incomes above \$30,000 and below \$180,000, will be asked to pay but one tax, less than a dime a day, or about now \$33 a year, in an energy tax devoted entirely to reducing our deficit. I believe that is a modest and fair price to pay for the change we seek and the progress it will bring. I pledged always in the beginning of this program to seek the least possible burden on middle income taxpayers, and I believe this is the least possible burden we can have and still achieve meaningful deficit reduction.

Because we need the private sector to grow, we also recommended investing in the job creating capacity of American business and in the education and skills of our people. This plan offers 90 percent of the small businesses in the United States of America the chance to actually reduce their tax burden if, but only if, they invest more in their businesses to strengthen their businesses and their capacity to hire new people. The plan offers new incentives, especially to high-tech, high-growth companies, to invest more in research and development. It offers incentives to larger companies to invest more in new plant and equipment. It gives a groundbreaking new incentive to people of all kinds to invest in new companies to help them grow the economy. A significant percentage of new American jobs come from the creation and expansion of new enterprises. And

this plan will open the door of college education to millions of Americans by dramatically changing the way the student loan programs work.

And next week when the national service plan passes, these two plans together will enable us to say to the young people of this country: If you want to go to college now, you need not fear the costs. You can borrow the money, but you won't have to pay it back until you actually have a job. And if the job is a lower paying job, you will not be asked to pay more than a certain fixed percentage of your income in paying back the loan. But this time, you will have to pay it back, because the tax system will be used to help collect the loan. And if you want to work the loan off, you can do some of that by participating in a program of service to your community before, during, or after college. That will give us the chance to solve a lot of America's problems and educate a whole new generation of young Americans. All this is done without imposing harmful cuts on older Americans. We build a better future for our children without asking unreasonable sacrifice from their grandparents.

It is time for Congress to pass this plan. It is time for Washington to show the courage to change. It is time for the Members of Congress to roll back the fog of misinformation that has shrouded this whole debate for the last 5 months. To the people who have told the American people there is no deficit reduction, there are no spending cuts, and the burden is on the middle class, the facts of this plan stand in stark contrast. This plan will keep interest rates down and grow the American economy.

This week I had the honor of meeting with many Americans from all walks of life who are taking personal responsibility for their families, their workplaces, and their country. On Monday, I attended a conference that our administration sponsored in Chicago where workers and managers talked about how they could work together to improve the quality of their goods and services and increase the security of their jobs and incomes. I met an executive from Missouri who turned around a failing plant by sharing information and giving a sense of ownership to workers who previously had been totally shut out of all those

decisions. Once he did that and the employees understood the big picture, they did better at their jobs, they turned the company around. Their jobs and incomes were more secure, and they're making money. I met a widow from Detroit with no prospect of a job, thinking she would have to go on welfare because of her children, perhaps forever. Instead, she found a job as a machinist after enrolling in a 6-year advanced training program. When she completes that program, instead of being on welfare she'll have the equivalent of a master's degree in engineering.

On Wednesday, I met with more than 60 corporate executives from all over America, from all kinds of companies. Many of these executives were Republicans who will have to pay higher taxes under this plan. But they had made the hard-headed decision that it was important to pass this economic plan because they knew that their companies, their shareholders, and their country would be better off if we reduced the Federal deficit, kept interest rates down, and got investment going back into the American economy. As the chief executive officer of one of these corporations said, it's time to quit fooling around and act.

And I want to tell you about one more group of people who are quiet heroes of this economy. On Thursday, I met with three families who work hard for low wages from the States of Georgia, Kentucky, and Oklahoma. Thanks to the earned-income tax credit in our Tax Code, which reduces the tax burden on low income workers, they are supporting their children instead of going on welfare. Now, this is very important, because 18 percent, almost one in five, of American workers today actually work for wages that will not support a family of four above the poverty line. This plan has a revolutionary expansion of the earned-income tax credit so that for the first time ever, we can say to American workers: If you work full time and you have children in your home, you will not live in poverty. The tax system will lift you out of poverty, not drive you into it. This is the biggest incentive for people we have ever provided to get off welfare and go to work, to reward work and family and responsibility. It is not a partisan issue; it is an

American issue. And it will empower all kinds of Americans to seize a better life for themselves.

I'm proud a lot of Americans have decided to do what is right for themselves and their families. They're looking for new skills, looking for new ways to work with their bosses in the workplace. They're choosing work over welfare. I'm proud so many people now are tired of the old divisions in our country. They don't want to see this country divided between labor and management or Democrats and Republicans. They want us to unite as Americans.

As your Senators and Representatives conclude work on this budget, I'd like to say a special word to those of you here in the Rose Garden and all of those listening to me across the country. The time has come to act. Unless the Congress acts on this budget, we cannot remove the uncertainty that exists in the economy, we cannot continue to bring interest rates down, and we cannot possibly move on to the other challenges that await us. We still have to provide security and health care to all Americans and bring the cost of health care down within inflation. We still have to face the fact that we have to reform our welfare system. We still have to pass a crime bill to put 100,000 more police officers on the streets over the next 4 years. There are many challenges awaiting this Congress and our Nation, and we cannot move on unless we pass this plan. And most importantly, we will not have a framework within which we can work for jobs and higher incomes for the American people.

If you believe we ought to do it, now is the time to make your voices heard. Your Senators and Representatives have been subject to an amazing amount of unfair pressure and flat wrong and false information. I need your help. Tell your Senators and your Representatives if they have the courage to finally bring this deficit down and turn the country in the right direction and create jobs, you would appreciate it, you will support it, and you will stand with them. Now is the time to act. We have talked and dawdled for long enough.

In 1980, this country had a \$1 trillion national debt after 200 years. Today, it is \$4 trillion. We have got to turn this around for

our children, for our grandchildren. And funny enough, this is something that will help us all today, right now, too. I need your help, and I hope you'll tell your Senators and your Representatives the time has come to move forward.

Thank you, and good morning.

NOTE: The President spoke at 8:52 a.m. in the Rose Garden at the White House.

The President's Radio Address

July 31, 1993

Good morning. Five months ago in my State of the Union Address to Congress, I pledged to the American people that I would do my best to fulfill the campaign commitment of 1992 to change the way Washington works. That means reviving our economy by reducing our deficit; cutting spending; reversing trickle-down economics by asking the wealthiest Americans to pay their fair share of taxes; increasing incentives to business to create new jobs; helping the working poor; and renewing the skills and productivity of our workers, our students, and our children.

Now the Members of both Houses of Congress are preparing to decide on a final version of my economic growth plan that meets the objectives I discussed when I presented it 5 months ago. This plan will contain the largest reduction in our deficit in the Nation's history. With nearly one quarter of a trillion dollars in real, enforceable spending cuts, every new dollar of taxes will be matched by a dollar of spending cuts. And 80 percent of the new taxes now will be raised from individuals earning over \$200,000 a year. No working family earning less than \$180,000 will pay more in income taxes. That will be a real change from the trickle-down economics of the past dozen years. The average family will pay only one tax, less than a dime a day in an energy tax devoted entirely to deficit reduction. That's about \$33 a year for a family of four with an income of \$40,000 or \$50,000 a year. I think that's a modest and fair price to pay for the change we seek and the progress we're making. We pledged to have the light-